

C I R C U L A R   L E T T E R

To

ALL COMMERCIAL BANKS

IN INDONESIA

Subject : Third Amendment of Bank Indonesia Circular Letter  
No. 10/42/DPD dated 27 November 2008 concerning  
purchase of Foreign Currencies Against Rupiah to  
Banks

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In connection with Bank Indonesia Regulation No. 10/28/PBI/2008 concerning Purchase of Foreign Currencies against Rupiah to Banks (State Gazette of the Republic of Indonesia Year 2008 No. 172, Addendum of the State Gazette of the Republic of Indonesia No. 4921), and as one of the efforts to achieve and maintain the stability of rupiah, it is necessary to make amendment to Bank Indonesia Circular Letter No. 10/42/DPD dated 27 November 2008 concerning Purchase of Foreign Currencies Against Rupiah to Banks as amended several times, lastly with Bank Indonesia Circular Letter No.15/3/DPM dated 28 Februari 2013, as follows:

1. Provision of number 4 letter a) is added by one number namely number 7) so that number 4 letter a) shall read as follows:
4. Purchase of foreign currencies against rupiah by Customers or Foreign Parties to Banks above USD100,000.00 (one hundred thousand US Dollar) or equivalent per month per Customer or per Foreign Party may only be conducted for activities that are not speculative in nature, with underlying as referred to in Bank Indonesia Regulation (PBI) Article 2 paragraph (2) and paragraph (3), shall be regulated as follows:

a. For ...

- a. For Customers as referred to in Article 1 number 2 of PBI, the type of underlying transactions among others can be in the form of:
  - 1) Imports activities of goods and services;
  - 2) Payment of services, such as:
    - a) Tuition fees abroad/in foreign countries;
    - b) Costs of medical treatment abroad;
    - c) Costs of overseas travel for Hajj, pilgrimage/spiritual journey, or other travels;
    - d) Payments for the utilization of overseas consultants;
    - e) Payments related to the utilization of foreign workers in Indonesia;
  - 3) Payments of debts in foreign currencies;
  - 4) Payments of overseas assets purchase;
  - 5) Business activities of selling and buying foreign banknotes (UKAs) by foreign exchange traders (PVA)-Banks and non Banks which have valid licenses from Bank Indonesia to meet the needs of PVA customers, with the regulation:
    - a) Banks can meet the needs of foreign currencies purchase against rupiah performed by PVAs only in the form of UKAs;
    - b) Deliveries of UKA in the settlement of foreign currencies purchase against rupiah from Banks to PVAs must be performed physically;
    - c) Deliveries of rupiah funds in the transaction settlements of foreign currencies purchase against rupiah can be done through book-entry account.
  - 6) Activities of travel agent businesses;
  - 7) Activities of exports of goods and services

2. Provision of points 7.c.2)a) amended so as to read as follows:

a) For the ...

- a) For the import activities of goods and services, documents required among others are in the form of photocopies of Notifications of Imports of Goods (PIB) issued by the authorized institutions, Letter of Credit (L/C), invoice with validity at a maximum of 6 (six) months after the issuance date of invoice, pro forma invoice or list of invoices;
  - (1) Underlying document in the form of list of invoices shall be regulated as follows:
    - (a) list of invoices signed by the authorized party of Customer; and
    - (b) Delivery of list of invoices by Customers shall be enclosed in the original invoice for verification by Bank and henceforth the said original invoice may be administered by the Customer.
  - (2) Underlying document in the form of pro forma invoice shall be regulated as follows:
    - (a) Pro forma invoice shall be fixed and final, and become an inseparable part of the final invoice;
    - (b) The amount of foreign currency purchase against rupiah with the basis of pro forma invoice documents shall not exceed the amount specified in the pro forma invoice;
    - (c) The amount of foreign currency purchase against rupiah at a maximum is as specified in the final invoice, and already includes the number specified in the pro forma invoice.
  - (3) Bank Indonesia may ask Banks to provide original invoice for verification by Banks (post audit) at any time.
- 3. Provision of point 7.c.2)d) amended so as to read as follows:
  - d) For payment of overseas assets purchase, documents required among others shall be in the form of pro forma invoice, invoices for the purchase of overseas assets;
- 4. After point 7.c.2)f) there shall be one point addition, i.e. point 7.c.2)g) which shall read as follows:
  - g) for activities of exports of goods and services it shall be regulated as follows:

- (1) Purchase of foreign currency against rupiah can only be conducted by exporters which have conducted sale of foreign currencies over export proceeds.
- (2) Foreign currency purchased by exporters as referred to in number (1) can be used among others for placement in foreign currency deposits.
- (3) Documents for activities of exports of goods and service among others are in the form of documents of foreign currency sale against rupiah derived from foreign currency sales over the export proceeds.
- (4) Validity of foreign currency sales documents that can be used as underlying shall not exceed 6 (six) months after the issuance date of foreign currency sales documents.
- (5) Value of foreign currency purchase against rupiah shall not exceed the value of foreign currency sale specified in the document of foreign currency sale against rupiah.

5. Provision number 9 letter by amended so as to read as follows:

9. Document requirements for transaction of foreign currency purchases against rupiah conducted by Foreign Parties with a nominal value above USD100,000.00 (one hundred thousand US Dollar) as referred to in Article 4 paragraph (2) of PBI shall be regulated as follows:
  - b. Documents required shall be attached to each transaction based on transaction date. In the event the required documents cannot be attached on the date of transaction, the documents in question may be submitted at least on the date of the related foreign exchange transaction by specifying the date of the transaction.

This Circular Letter of Bank Indonesia comes into force as of 27 August 2013.

For public ...

For public cognizance, ordering the promulgation of this Bank Indonesia Regulation by placing it in the State Gazette of the Republic of Indonesia.

We hereby conclude our points for your attention and understanding.

BANK INDONESIA,

FILIANINGSIH HENDARTA

HEAD OF MONETARY MANAGEMENT DEPARTMENT